

Reinventing CT: An Economic Development Progress Report



Connecticut
still revolutionary

July, 2014

Connecticut has some of the most dynamic—and effective—economic development programs in the nation.

Under the leadership of Governor Malloy, and with bipartisan support from the legislature, a series of legislative measures – most notably the Jobs Bill of 2011 – have been enacted that are helping businesses create and retain jobs, expand operations and make new capital investments in the state.

The Jobs Bill also included measures to improve the business climate, make investments in education and stimulate local economies.

This report provides an overview of the Jobs Bill initiatives that are impacting Connecticut companies and the state's economy.

Summary

Since October 2011, the state has aggressively implemented the Jobs Bill and all its provisions. The numbers speak for themselves, but we believe its implementation has significantly aided our state's recovery. More remains to be done, and many programs are just beginning to bear fruit, but progress is apparent:

- 1,546 companies are being assisted through DECD programs, with 16,838 jobs to be created and 37,975 jobs retained
- \$2.1 billion has been leveraged from the private-sector to grow jobs and expand the economy through these programs
- 107% of expected jobs created
- 1.3% default rate on state assistance loans
- 95 LEAN events have helped streamline state government services

First Five Program As Of 6/30/14

Focused on larger companies that create 200 jobs within 2 years or invest at least \$25,000,000 and create 200 jobs within 5 years

- 11 announced deals across several targeted clusters including Insurance/Financial Services, Healthcare/Biotech and Digital Media
- 12,690 jobs to be retained; 2,200 to 5,514 jobs to be created
- Over \$201M in direct state assistance leveraging more than \$1.3B in private investment
- Diversity of geographic locations including Bloomfield, Bristol, Hartford, New Haven and Stamford

Manufacturing Assistance Act Helps Mid-Sized Businesses

Incentive-driven direct loans and grants for mid-sized companies (not only manufacturers) who want to grow jobs and build their business in the state

Between 2011 and 6/30/14 the MAA has assisted mid-size companies:

- 61 companies in 33 different municipalities
- 13,483 jobs retained and 4,068 to be created
- \$197M in total state assistance leveraging \$641M
- 12 companies in the state's largest urban centers
- 28 manufacturing (46% of total) and 11 financial service (18% of total) companies were funded, all in our targeted business growth sectors

Small Business Express Results As Of 6/30/14

Small Business Express	Total
Applications received to date	2486
Businesses receiving financial assistance	1128
Applications in process	293
Applications denied	1065
Minority/Women owned businesses receiving assistance	207
Private investment leveraged (<i>approximate</i>)	\$60,000,000
Grants	\$59,489,805
Loans	\$94,976,355
Total Businesses Funded	\$154,466,160

Express Projects Funded Through MAA*

Businesses receiving financial assistance	18
Jobs created	120
Jobs retained	255
Grants	\$1,629,000
Loans	\$2,880,000
Total	\$4,509,000

EXP has impacted over 15,000 total jobs

Jobs to be created	4,059
Jobs to be retained	11,643

Goals of Small Business Express

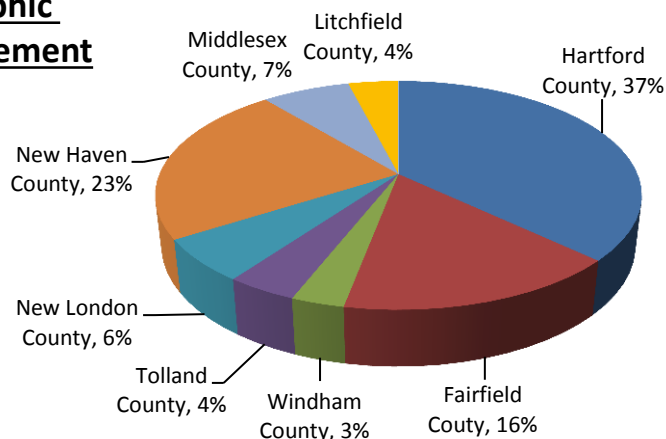
- Provide capital, working capital and other funds to small, "Main Street" businesses, to help create jobs in all Connecticut towns and cities
- Provide a good rate of return to Connecticut taxpayers as jobs are created and income tax is levied on those jobs
- To offset the void created when banks and other financing institutions pulled back on lending, post recession

*MAA = Manufacturing Assistance Act

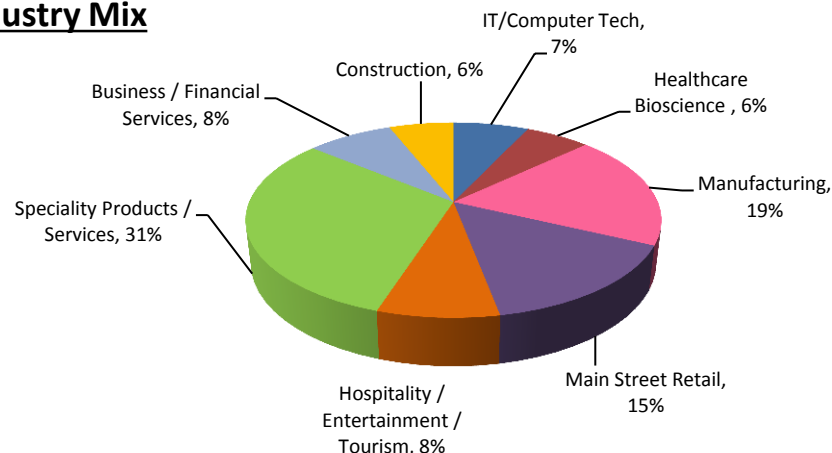
Six community lenders have assisted DECD in administering the program

EXP Assistance Has Gone To A Wide Variety Of Businesses

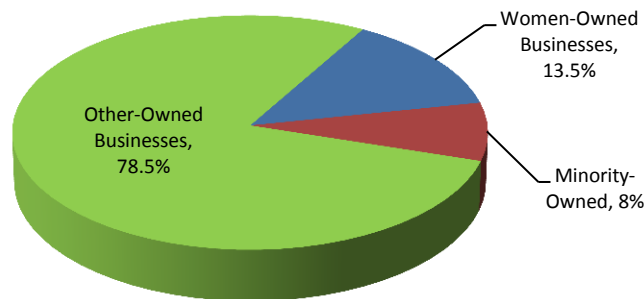
Geographic Disbursement



Industry Mix



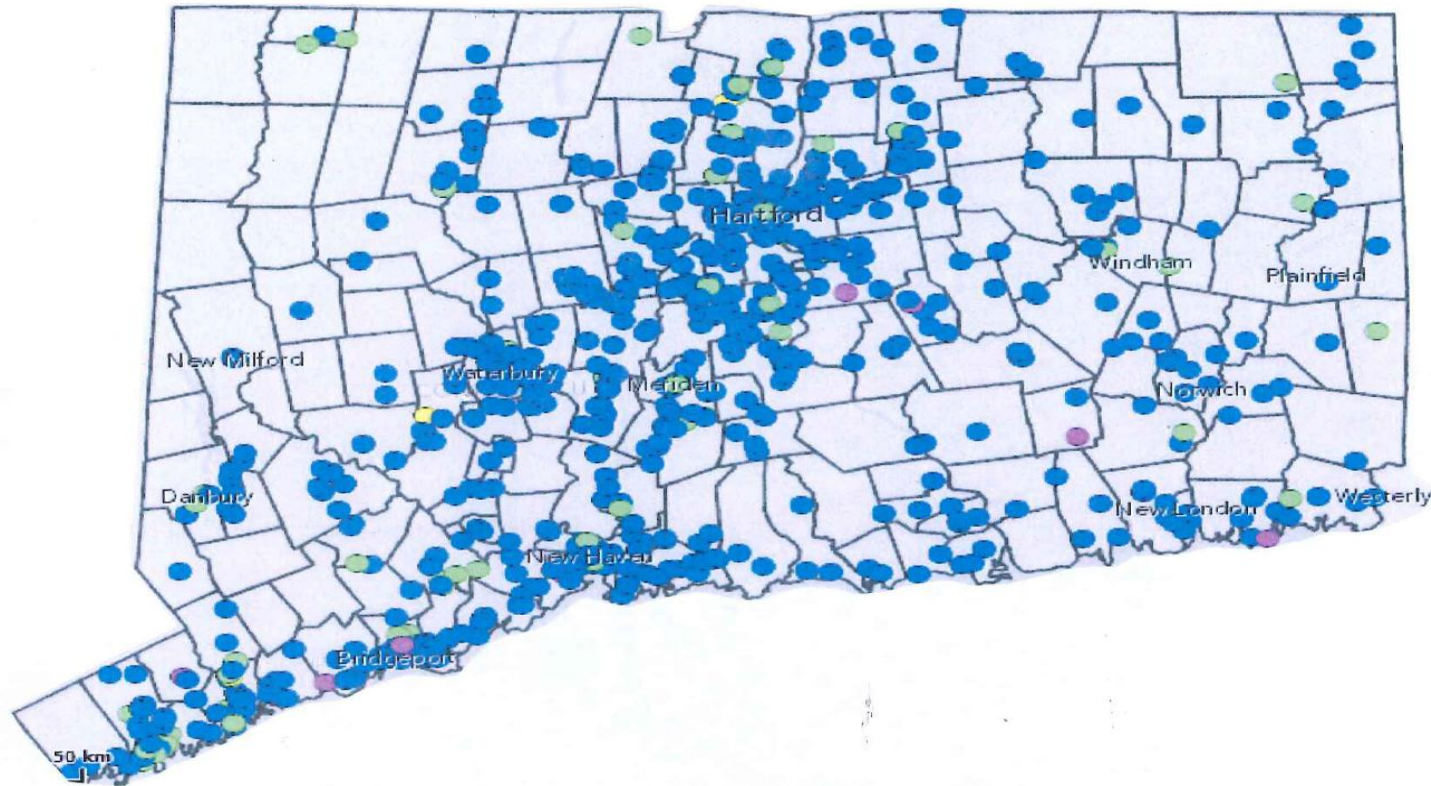
Business Mix (Women/Minority-owned)



- The industry mix reflects the economy in Connecticut, with a focus on mainstream employers. For three sectors, (Manufacturing, Construction and IT), EXP recipient pool represents nearly twice the state's current job percentage.
- Of the total of businesses, 353 (31%) applied for and received both a grant and a loan.
- Loans are structured to provide repayment of principal and interest over 5 to 10 years. Already DECD has received \$12,027,170 of loan principal and interest.
- All levels of jobs, from entry level to PhD, are included in EXP.
- The lower than state-wide averages for women and minority businesses are being addressed with additional outreach efforts.
- 15 Companies that were funded through EXP are no longer in business (less than 1% of total).

State-wide average % of women-owned businesses 28.1%
 State-wide average % minority-owned businesses: 12% (US Census Bureau, 2007)

Financial Assistance Recipients By Location



This interactive map, containing information on all companies assisted by programs on the prior pages, can be found at www.ctopenforbiz.com

Examples of Non-Profits Funded by DECD Programs

- CURE – Bioscience Innovation Center (MAA, Groton)
- The Discovery Center, Inc. (Small Bus Exp Farmington)
- Futures, Inc. (Small Bus Exp, Middletown/Berlin)
- Firebox, LLC (Small Bus Exp, Hartford)

For detailed listing of companies served by
DECD programs, please go to the
DECD web site

[Http://www.ct.gov/ecd/lib/ecd/Mid Term Report Append.xlsx](http://www.ct.gov/ecd/lib/ecd/Mid_Term_Report_Append.xlsx)